

LONDON PROPELLER CLUB

LONDON, ENGLAND

“BENEFITS OF INTERNATIONAL STANDARDS”

RADM R. C. North

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THANK YOU. GOOD AFTERNOON, YOUR LORDSHIP, MR. ADAMS, MEMBERS OF THE PROPELLOR CLUB, LADIES AND GENTLEMEN, IT IS A PLEASURE AND HONOR FOR ME TO BE HERE AS A SPEAKER TODAY. I’VE BEEN ASSOCIATED WITH THE PROPELLER CLUB IN THE U.S. FOR MANY YEARS, BEGINNING AS A STUDENT MEMBER WHEN I WAS A CADET AT THE STATE UNIVERSITY OF NEW YORK, MARITIME COLLEGE. THIS IS MY FIRST EXPERIENCE WITH THE INTERNATIONAL ORGANIZATION AND I APPRECIATE VERY MUCH THE OPPORTUNITY ADDRESS YOU.

THIS AFTERNOON I WILL PROVIDE A U.S. PERSPECTIVE AS BOTH A PORT STATE AND FLAG STATE ADMINISTRATON ON CURRENT ENVIRONMENTAL PROTECTION ISSUES REVOLVING AROUND THE LOSS OF THE TANKER ERIKA. IN THE PROCES, I’LL PRESENT SOME THOUGHTS ABOUT THE IMPACT ON AND THE ROLE OF INTERNATIONAL STANDARDS; AND, FUTURE RISK OF OIL AND HAZARDOUS SUBSTANCE POLLUTION.

THE ULTIMATE GOAL OF ALL STAKEHOLDERS IN INTERNATIONAL SHIPPING IS VERY SIMPLY, IN THE WORDS OF THE INTERNATIONAL MARITIME ORGANIZATION, “SAFER SHIPS, CLEANER OCEANS.”

THE MEANS TO ATTAIN THAT GOAL IS THE CONTINUOUS IMPROVEMENT OF THE QUALITY OF SHIPPING, INCLUDING VESSELS, THE PEOPLE WHO OPERATE WITHIN THE INDUSTRY AFLOAT AND ASHORE, AND THE MANAGEMENT SYSTEM IN WHICH THEY OPERATE.

THE INTERNATIONAL STANDARDS OF IMO AND THE ILO PROVIDE A DEFINITIVE FRAMEWORK DESIGNED TO ADDRESS AREAS OF RISK TO SAFETY, THE ENVIRONMENT, AND CREW CONDITIONS TO IMPROVE THE QUALITY OF SHIPPING. THEY ARE THE BASIS OF OUR PSC PROGRAM.

THE “STRUCTURE” THAT SUPPORTS THE ATTAINMENT OF QUALITY BEGINS WITH:

A FOUNDATION OF INTERNATIONAL STANDARDS, AS THE BASE, UPON WHICH THE PLAYERS IN THE PROCESS – OWNERS, FLAG STATES, PORT STATES, CLASSIFICATION SOCIETIES, CHARTERERS, UNDERWRITERS AND OTHERS-DEPEND TO ATTAIN QUALITY.

YOU'VE PROBABLY OFTEN HEARD THESE PLAYERS REFERRED TO AS THE CHAIN OF RESPONSIBILITY.

AND PRIMARY RESPONSIBILITY LAYS WITH THE OWNER, FOLLOWED BY FLAG STATE, FOLLOWED BY CLASS, FOLLOWED BY CHARTERERS AND OTHERS AND FINALLY, THE PORT STATE, THE COUNTRY IN WHICH A VESSEL CALLS.

THERE IS A WIDELY HELD VIEW THAT, GENERALLY, FAILURE OF THE PRINCIPLE PARTIES – OWNERS, FLAG ADMINISTRATIONS AND CLASS - TO ASSUME THEIR APPROPRIATE SHARE OF RESPONSIBILITY HAS CREATED A VERY ROBUST PORT STATE CONTROL EFFORT AS THE LAST SAFETY NET WORLDWIDE TO ENSURE COMPLIANCE WITH THE QUALITY FRAMEWORK OF INTERNATIONAL STANDARDS.

THE PSC REGIME IN THE U.S. REFLECTS THAT VIEW. LET ME EXPLAIN WHY.

FOREIGN FLAG VESSELS IN OCEANS TRADE CALL IN U.S. PORTS AT A RATIO OF 14/1 COMPARED TO U.S. FLAG VESSELS. SO, THEY REPRESENT THE VAST PROPORTION OF RISK TO VESSELS, CARGO, PEOPLE, AND THE ENVIRONMENT BECAUSE OF THE NUMBERS AND SOME UNCERTAINTY AS TO THEIR QUALITY COMPARED TO THE MUCH MORE EXTENSIVE CONTROL WE HAVE ON U.S. VESSELS AND DEGREE OF INFORMATION AVAILABLE.

ACCORDINGLY, AS A PORT STATE - A COUNTRY WHOSE PORTS ARE IN THE RECEIVING END OF FOREIGN VESSEL VISITS - WE'VE DEVELOPED AN EXTENSIVE PORT STATE CONTROL PROGRAM TO EXERCISE OUR RIGHT AND RESPONSIBILITY UNDER VARIOUS INTERNATIONAL CONVENTIONS RELATING TO SAFETY/MARINE ENVIRONMENTAL PROTECTION TO VERIFY COMPLIANCE WITH THEM.

OUR PROGRAM IS RISK BASED AND ATTEMPTS TO IDENTIFY THOSE VESSELS WITH HIGHEST POTENTIAL TO BE SUBSTANDARD - SUBSTANTIAL NON-COMPLIANCE WITH INTERNATIONAL CONVENTIONS, U.S. STANDARDS, AND GENERAL MATERIAL CONDITION - OR POSE THE MOST RISK TO SAFETY AND THE ENVIRONMENT.

RISK ASSESSMENT IS BASED ON A FIVE COLUMN MATRIX THAT CONSIDERS THE PORT STATE CONTROL HISTORY OF AN INDIVIDUAL VESSEL, THE OWNER, THE FLAG OF REGISTRY, THE CLASSIFICATION SOCIETY, AND TYPE OF VESSEL (I.E., TANKER, BULKER, PASSENGER VESSEL, ETC.).

POINTS ARE AWARDED FOR EACH COLUMN AND THE SCORE DETERMINES WHETHER THE VESSEL IS PRIORITY 1, 2, 3, 4. THE ASSESSMENT IS MADE WHEN THE 24-HOUR ADVANCE NOTICE OF ARRIVAL IS RECEIVED BY THE LOCAL CAPTAIN OF THE PORT. OUR "CONTROL" MAY BE TO DENY ENTRY, DETAIN FOR REPAIRS, CONTROL CARGO OPERATIONS, ONLY BOARD AND MONITOR CARGO OPERATIONS OR EXERCISE NO CONTROL AT ALL BEYOND THE INITIAL ASSESSMENT.

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EACH YEAR WE PUBLISH ON OUR WEB SITE A LIST OF OWNERS, FLAGS, AND CLASS SOCIETIES THAT HAVE EXCESSIVE DETENTION RATES IN THE U.S. BASED ON A 3-YEAR ROLLING AVERAGE - AND WE TARGET THOSE VESSELS WITH HIGH POINTS ON THE MATRIX. DETENTIONS ARE A PRIMARY MEASURE ALONG WITH DEFICIENCIES AND VIOLATIONS.

WE ALSO MAKE DETAILED VESSEL BOARDING VIOLATION HISTORIES AVAILABLE THROUGH THE PORT STATE INFORMATION EXCHANGE (PSIX) ON OUR WEB SITE.

WE'RE NOW LINKED TO EQUASIS TO SHARE PORT STATE CONTROL DATA WITH PARIS AND TOKYO PORT STATE CONTROL MOU'S.

WHAT ABOUT RESULTS? WELL, OIL SPILLS IN THE U.S. FROM ANY SOURCE – ESPECIALLY TANKERS – HAVE DECLINED DRAMITICALLY. ALSO, DETENTIONS OF VESSELS HAVE FALLEN OFF BY ABOUT 1/3 EACH YEAR FOR THE LAST 3 YEARS. VESSELS THAT HAVE COMPLETED ISM PHASE I CERTIFICATION EXPERIENCED A DECLINE IN DETENTIONS THAT IS EVEN MORE PRONOUNCED.

ALTHOUGH MANY FACTORS ENTER INTO THE IMPROVEMENTS THAT WE'VE SEEN, WE BELIEVE OUR PORT STATE CONTROL PROGRAM HAS BEEN SUCCESSFUL.

HOWEVER, WE PLAN TO MAKE SOME CHANGES TO OUR PROGRAM TO SHARPEN IT EVEN FURTHER.

FIRST, ON SEPTEMBER 25, 2000, AT THE MARE FORUM IN ATHENS, GREECE, I ANNOUNCED THE DETAILS OF A NEW PSC INITIATIVE BY THE UNITED STATES COAST GUARD CALLED QUALSHIP 21 THAT WE HOPE WILL FURTHER IMPROVE QUALITY SHIPPING THROUGH THE USE OF INCENTIVES.

QUALSHIP 21 IS A PROGRAM TO IDENTIFY AND REWARD HIGH QUALITY, NON U.S. FLAG VESSELS THAT VISIT U.S. PORTS. THE DESIGNATION OF A VESSEL AS PART OF THE QUALSHIP 21 PROGRAM WILL BE BASED UPON ASSESSMENT OF THE PORT STATE CONTROL HISTORY OF COMPLIANCE WITH IMO AND ILO STANDARDS BY THE VESSEL, OWNER, REGISTRY AND CLASS AND TRANSPARENCY OF THE REGISTRY'S SAFETY AND ENVIRONMENTAL PROGRAMS.

WE ARE ALSO DEVELOPING A SIMILAR PROGRAM FOR U.S. FLAG VESSELS ENGAGED IN BOTH INTERNATIONAL AND DOMESTIC TRADE.

INITIALLY, THE REWARD OR INCENTIVE WILL BE A SIGNIFICANT REDUCTION OF COAST GUARD ACTIVITY ON THE VESSEL WHEN IN A U.S. PORT THAT WILL FACILITATE THE MOVEMENT OF CARGO AND MINIMIZE DELAYS.

WE ARE ALSO SEEKING RECOGNITION OF A COAST GUARD QUALITY SHIP DESIGNATION BY INSURERS, PORTS, AND FINANCIAL INSTITUTIONS FOR SHIPOWNER BENEFIT AS FURTHER INCENTIVES.

FOR THE COAST GUARD, THIS INITIATIVE WILL FREE UP RESOURCES EMPLOYED IN LOW RISK ACTIVITY, PERMITTING THEM TO BE USED ON OTHER HIGHER RISK VESSELS AND ACTIVITIES.

AS OUR SECOND IMPROVEMENT TO OUR PORT STATE CONTROL PROGRAM, WE PLAN TO ADD CHARTERERS TO OUR PORT STATE CONTROL TARGETING MATRIX TO INCLUDE CONSIDERATION OF THE VESSEL'S CHARTERER AS AN ELEMENT OF QUALITY OR THE LACK THEREOF.

WE CONTINUE TO EXAMINE THE FEASIBILITY OF IDENTIFYING CHARTERERS THAT ARE ASSOCIATED WITH MULTIPLE DETENTIONS AND INTEND TO PUBLISH A LIST OF TARGETED CHARTERERS. THAT WILL THEN BECOME A NEW DIMENSION IN PSC TARGETING AND QUALITY AS WELL AS QUALITY RECOGNITION. WE PLAN TO LOOK AT UNDERWRITERS IN A SIMILAR FASHION.

WE HOPE THAT, COLLECTIVELY, THESE MEASURES WILL CREATE VARIOUS INTERACTIONS AMONG THE DIFFERENT PLAYERS IN THE CHAIN OF RESPONSIBILITY THAT WILL CREATE INCENTIVES TO ASSUME THEIR APPROPRIATE SHARE OF RESPONSIBILITY FOR QUALITY SHIPPING.

IN ADDITION TO OUR PSC PROGRAM WE ARE ACTIVE IN IMO INITIATIVES TO FACILITATE THE APPROPRIATE ASSUMPTION OF RESPONSIBILITY FOR VESSELS QUALITY BY ALL PLAYERS IN THE CHAIN OF RESPONSIBILITY. OUR DESIRE IS TO SEE THE CURRENT LEVEL OF PSC AS AN INTERIM MEASURE BUT ONE THAT WILL PROVIDE INCENTIVES TO OWNERS, FLAG ADMINISTRATIONS AND CLASS TO BE MORE PROACTIVE AND RESPONSIBLE.

OF COURSE, IN SPITE OF IMPROVEMENTS IN SAFETY AND MARINE ENVIRONMENTAL PROTECTION, ACCIDENTS CONTINUE TO HAPPEN.

CLEARLY, PRIME EXAMPLES ARE THE ERIKA ACCIDENT OFF THE COAST OF FRANCE IN DECEMBER 1999, AND THE MORE RECENT SINKING OF THE FERRY EXPRESS SAMINA IN GREECE WITH MORE THAN 70 LIVES LOST. THEY TELL US THAT WE STILL HAVE PROBLEMS WITH THE SHIPS, THE PEOPLE, AND THE MANAGEMENT OF MARITIME OPERATIONS AND LAPSES IN THE CHAIN OF RESPONSIBILITY.

VIRTUALLY THE WHOLE CHAIN OF RESPONSIBILITY, INCLUDING PORT STATES, CAN CLAIM SOME LEVEL OF RESPONSIBILITY FOR THOSE TWO RECENT ACCIDENTS.

ACCIDENTS SUCH AS ERIKA RAISE THE ISSUE OF
UNILATERALISM AND REGIONAL SOLUTIONS THAT
WOULD UNDERMINE THE BENEFITS OF INTERNATIONAL
STANDARDS AND UNDERMINE THE INTERNATIONAL
REGULATORY PROCESS THAT HAS BROUGHT US SO MUCH
PROGRESS THROUGH THE IMO.

WE MUST RESIST THE RELATIVELY EASY SOLUTION OF
NATIONAL OR REGIONAL STANDARDS FOR
INTERNATIONAL SHIPPING.

WE MAY RISK LOSING THE BENEFITS AND IN THE LONGER
TERM CREATE A NEGATIVE IMPACT ON SAFETY, THE
ENVIRONMENT AND THE IMPROVEMENTS IN THE
INTERNATIONAL ECONOMY AND STANDARD OF LIVING
THAT CAN BE ATTRIBUTED TO SHIPPING AND OUR
CAREFUL EFFORTS TO BALANCE SAFETY, ENVIRONMENT
AND FACILITATION OF COMMERCE.

INTERNATIONAL SHIPPING REQUIRES INTERNATIONAL
STANDARDS – ONE STANDARD FOR WORLDWIDE USE TO:

- PROVIDE BOTH A UNIFORM WORLDWIDE FRAMEWORK TO
WORK TO IMPROVE QUALITY AND A BENCHMARK FOR
MEASURING PROGRESS;

- SIMPLIFY THE PROCESS OF COMPLIANCE AND ATTAINMENT OF QUALITY THAT WOULD BE MADE SIGNIFICANTLY MORE COMPLEX BUT NOT BETTER IF EVERY COUNTRY HAD DIFFERENT STANDARDS;
- EVEN THE PLAYING FIELD AMONGST COMPETING ECONOMIC INTERESTS;
- RAISE THE BAR OF QUALITY AROUND THE WORLD FOR THE MUTUAL BENEFIT OF ALL NATIONS.

THE ERIKA INCIDENT CREATED A DEFINING MOMENT AT THE IMO AT MEPC 45 IN OCTOBER 2000, THAT WOULD DETERMINE WHETHER WE COULD CONTINUE TO SEEK INTERNATIONAL SOLUTIONS TO INTERNATIONAL PROBLEMS THROUGH INTERNATIONAL STANDARDS OR WHETHER WE WOULD LAPSE INTO REGIONAL OR UNILATERAL SOLUTIONS BEGINNING WITH THE EC APPROACH TO SINGLE HULL TANKER PHASE OUT AND THEN PROBABLY SEE SIMILAR REACTION AROUND THE WORLD.

THE DECISION OF THE EUROPEAN UNION COUNCIL OF
MINISTERS LAST OCTOBER, TO PUT THEIR CONFIDENCE IN
IMO, FOLLOWED BY IMO DELEGATES WORKING
TOGETHER IN THE BEST SPIRIT OF INTERNATIONAL
COOPERATION CREATED A RESOUNDING POSITIVE VOTE
IN FAVOR OF AN INTERNATIONAL STANDARDS APPROACH
TO THIS INTERNATIONAL PROBLEM THAT SHOULD
FOSTER THE PREEMINENCE OF INTERNATIONAL
STANDARDS LONG INTO THE FUTURE.

PROVIDED, HOWEVER, THAT, MEASURES PRESENTLY BEING
DISCUSSED AT IMO REGARDING CONDITION ASSESSMENT
SURVEY REQUIREMENTS AND A FINAL DETERMINATION
AT MEPC 46 (APRIL 23-27, 2001) OF PHASE OUT END DATES
ARE CONSIDERED SATISFACTORY.

IN THE U.S., THE RECENT SUPREME COURT DECISION IN FAVOR
OF INTERTANKO, IN INTERTANKO VS. LOCKE (GOVERNOR
OF WASHINGTON STATE) OVER WHETHER THE STATE OR
U.S. GOVERNMENT WOULD REGULATE TANKER SAFETY,
ALSO REAFFIRMED THE PREEMINENCE OF
INTERNATIONAL STANDARDS FOR SHIPPING AND TURNED
ASIDE THE WASHINGTON STATE TANKER REGULATORY
REGIME.

WHAT'S THE U.S. REACTION TO ERIKA? FIRST, WE ARE CONCERNED THAT AN INTERNATIONAL SOLUTION IS DEVELOPED IN IMO.

WITHIN THE CURRENT IMO DEBATE, WE SUPPORT, IN GENERAL, THE CONCEPT OF ACCELERATING THE MARPOL SINGLE HULL TANKER PHASEOUT SCHEDULE. AS TO A SPECIFIC SCHEDULE, WE HAVE RESERVED OUR POSITION SINCE WE'RE CONSTRAINED BY OPA 90.

TO UNDERSTAND THE POTENTIAL IMPLICATIONS OF MARPOL AMENDMENTS TO OPA 90 WE REALLY NEED TO SEE THE END PRODUCT.

IN TERMS OF FUTURE POLLUTION POTENTIAL, AS I INDICATED EARLIER, THE VOLUME OF SPILLED OIL IN THE U.S., ESPECIALLY CARGO OIL, IN THE LAST 10 YEARS HAS LESSENED SIGNIFICANTLY AS COMPARED TO THE REST OF THE WORLD. SPILLAGE FROM NON-TANK VESSELS – FUEL – EXCEEDS CARGO SPILLAGE. FACILITIES THAT HANDLE OR PRODUCE OIL AND PIPELINES ARE ALSO NOW A LARGER PERCENTAGE OF SPILLED OIL SOURCES GIVEN THE CARGO OIL SPILLAGE REDUCTION.

SO, WHILE THE REST OF THE WORLD IS FOCUSING ON TANKERS AND CARGO OIL, ALTHOUGH SIGNIFICANT RECENT BUNKER SPILLS HAVE OCCURRED IN SOUTH AFRICA AND GREECE, WE ARE CONCERNED THAT CURRENT ACTIVITY TO DEAL WITH PREVENTION IS MOSTLY TANKER CENTRIC.

I'M ALSO CONCERNED THAT DOUBLE HULLS ARE CONSIDERED IN THE PROPER CONTEXT AS A PREVENTION MEASURE. IF ONE MUST ULTIMATELY RELY ON A DOUBLE HULL TO PREVENT AN OIL SPILL, SOMETHING ELSE HAS ALREADY GONE WRONG, USUALLY PEOPLE RELATED, AND A SHIP HAS GROUNDED OR BEEN INVOLVED IN A COLLISION OR SOME OTHER ACCIDENT THAT OPENED UP THE OUTER HULL.

WE MUST BE CAREFUL NOT TO FORGET THE HUMAN ELEMENT AS A PRINCIPAL PREVENTION MEASURE FOR OIL SPILLS FROM ANY MARITIME SOURCE – TANKER OR OTHERWISE.

THEREFORE, WE CONSIDER THE EXAMINATION OF OTHER MEASURES BY IMO BEYOND AMENDMENT OF MARPOL TO BE OF VITAL IMPORTANCE - AND, SUCH OTHER MEASURES WERE EXAMINED AT IMO MSC 73 IN DECEMBER OF 2000 AND WERE PRESENTED IN A REPORT RECOMMENDING ACTION BY VARIOUS IMO BODIES.

THE REPORT INCLUDES 22 POTENTIAL MEASURES...SOME APPLY TO ALL VESSELS, SOME ONLY TO TANKERS. INCLUDED ARE ISSUES INVOLVING FUEL TANKS AND THE HUMAN ELEMENT AS WELL AS PORTS OF REFUGE.

AND, AS WE LOOK TO THE FUTURE AND THE PHASE-IN OF DOUBLE HULLS ALONG WITH OTHER PREVENTION MEASURES, WE NEED TO ULTIMATELY CONSIDER THE APPROPRIATE PREVENTION AND RESPONSE MEASURES GIVEN THE RELATIVE LEVEL OF RISK FROM VARIOUS SOURCES.

I'M CERTAINLY NOT SUGGESTING THAT WE CONSIDER THAT TANKERS POSE NO RISK, ONLY THAT WE LOOK AT THE RELATIVE RISK COMPARED TO OTHER SOURCES AND ENSURE THAT PREVENTION MEASURES REFLECT THE RISK.

ACCORDINGLY, IN THE U.S. WE'RE BEGINNING A LARGE SCALE RISK ASSESSMENT TO PROJECT THE FUTURE BALANCE OF RISK OF SPILLS OF OIL FROM SHIP SOURCES –CARGO AND BUNKERS – AS WELL AS FROM PIPELINES AND FACILITIES. WE WILL THEN ASSESS THE ADEQUACY OF OUR PREVENTION AND RESPONSE REGIMES TO ADDRESS THE PROPORTIONATE RISK AND LOOK AT WHAT ADJUSTMENTS ARE NECESSARY.

OUR FIRST STEP WILL BE TO BRING THOSE CONCERNS TO IMO THAT REQUIRE INTERNATIONAL SOLUTIONS - AND HOPEFULLY ADD THEM TO THE WORK PROGRAM RECOMMENDED BY THE MSC 73 "OTHER MEASURES" WORK GROUP.

SO, IN SUMMARY, WE ADVOCATE INTERNATIONAL STANDARDS WHERE APPROPRIATE.

INTERNATIONAL STANDARDS PROVIDE NUMEROUS BENEFITS TO FLAG STATES, PORT STATES AND THE ENTIRE CHAIN OF RESPONSIBILITY FOR QUALITY SHIPPING AS WELL AS THE PUBLIC AT LARGE.

ALTHOUGH SOMETIMES THERE ARE DRIVERS TO REACT TO ACCIDENTS WITH UNILATERAL NATIONAL OR REGIONAL SOLUTIONS AND STANDARDS, IN THE LONG RUN, THE INTERNATIONAL APPROACH IS USUALLY BEST WHERE POSSIBLE TO PROVIDE A CONSISTENT FRAMEWORK WITHIN WHICH ALL OF THE CHAIN OF RESPONSIBILITY MAY WORK TOGETHER TO IMPROVE SHIPPING QUALITY AND MEASURE PROGRESS – ALL TOWARD THE GOAL OF “SAFER SHIPS, CLEANER OCEANS.”

RECENT ACTIVITY AT IMO RESULTING FROM THE ERIKA INCIDENT REINFORCES THAT CONCEPT, ALONG WITH THE US SUPREME COURT INTERTANKO DECISION.

USING INTERNATIONAL STANDARDS AS A MEASURE, WE SEE SIGNIFICANT PROGRESS TOWARD IMPROVED QUALITY OF SHIPPING AS INDICATED BY A REDUCTION IN PSC DETENTIONS, BUT ARE STILL NOT SATISFIED WITH THE NUMBER OF VESSELS WE FIND NON-COMPLIANT.

FROM THE PERSPECTIVE OF A PORT STATE WE SEE NUMEROUS OPPORTUNITIES TO IMPROVE COMPLIANCE AND QUALITY SHIPPING AND SHIFT THE BURDEN APPROPRIATELY AMONGST THE CHAIN OF RESPONSIBILITY WITHIN THE FRAMEWORK OF INTERNATIONAL STANDARDS AS FOLLOWS:

- CREATION OF INCENTIVES FOR FLAG STATES TO IMPROVE THEIR PERFORMANCE;
- CONTINUING THE STRONG EMPHASIS ON ISM/STCW IMPLEMENTATION AND COMPLIANCE;
- INCREASING ACCOUNTABILITY OF CHARTERERS;

- ESTABLISHING INCENTIVES FOR QUALITY SHIPS SUCH AS LESS PORT STATE EXAMINATIONS FOR VESSELS DEMONSTRATING QUALITY ALONG THE LINES OF PERFORMANCE AND TRANSPARENCY THAT AT THE SAME TIME CREATES INCENTIVES FOR OWNERS AND FLAG STATES TO CONTINUE TO IMPROVE QUALITY. WITH OWNERS AND FLAG STATE CARRYING OUT THEIR FULL RESPONSIBILITY AND PSC BEING ONLY A QUALITY CHECK, THIS IS THE DESIRED STATE OF THE STRUCTURE OF QUALITY SHIPPING.

AS WE LOOK TO THE FUTURE AND THE PHASE-IN OF DOUBLE HULLS ALONG WITH OTHER PREVENTION MEASURES, WE NEED TO ULTIMATELY CONSIDER THE APPROPRIATE PREVENTION AND RESPONSE MEASURES GIVEN THE RELATIVE LEVEL OF RISK FROM VARIOUS SOURCES.

THANK YOU. I'D BE PLEASED TO ANSWER YOUR QUESTIONS.